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REPORT OF THE SECRETARY-GENERAL ON THE IMPLEMENTATION OF PARAGRAPH 5 OF SECURITY COUNCIL RESOLUTION 687 (1991)

Addendum

Estimated cost and method of financing

1. Should the Security Council establish the United Nations Iraq-Kuwait Observation Mission (UNIKOM) on the basis set out in the main part of the present report, it is estimated that the cost of the Mission for the first six months would be approximately $83 million. The costs of continuing UNIKOM for the following six months would be approximately $40 million. These estimates do not include additional costs that would be incurred if the infantry units temporarily assigned to UNIKOM are replaced with infantry battalions on a more permanent basis; nor do they include the costs that would be incurred if the engineer unit had to be continued beyond six months. These are preliminary estimates, which might be subject to revision as further details are clarified and/or as a result of decisions taken by the Security Council.

2. It would be my recommendation that the costs of the Mission be considered an expense of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter. I would recommend to the General Assembly that the assessments to be levied on Member States be credited to a special account that would be established for this purpose.

3. The capacity of the United Nations to deploy UNIKOM would depend in large measure on the availability of the financial resources necessary to meet the start-up costs of the operation. This in turn would depend not only on the appropriation of the necessary funds by the Assembly but, equally importantly, on the receipt from Member States of their assessed contributions. As is known, the payment of assessed contributions for peace-keeping operations established by the Security Council has been at rates far lower than were necessary to meet cash-flow requirements. In order to meet the start-up costs of UNIKOM, I would therefore appeal to Member States to make voluntary payments, which would be repaid as soon as sufficient assessed contributions have been received. I would also appeal to Member States to make voluntary contributions in cash and in kind for setting up and maintaining the Mission.

4. I take this opportunity to point out that the above cost estimate covers only paragraph 5 of resolution 687 (1991). The financial implications of the resolution's other provisions will become clearer after the necessary detailed examination of the manner in which these provisions may be implemented by the Secretary-General and of the various commissions to be established under the resolution. It is already apparent, however, that the aggregate financial implications of the resolution are likely to be quite substantial.